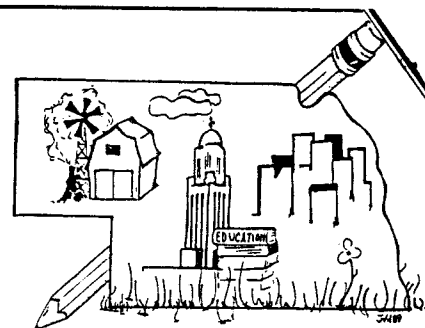


The Nebraska Observer

Vol 4, No. 8 · August 30, 1989



Paroxysm of Editorial Shoe Banging Follows

World-Herald's Ak-Sar-Ben Lobbying Backfires

by Warren Francke

The following article was written August 23

The morning after, the World-Herald stuck the keno contract story on top of page one, but buried its shame on page 17.

Readers jumped to the inside page to learn that a brazen Herald hatchet job had backfired. There they read that the City Council had rejected Ak-Sar-Ben and awarded the keno game to the Ziegman family—at least partly in reaction to the daily's dirty work. There on page 17 they read:

"Some council members defended the

reputations of those involved in Omaha Community Betterment (the contract winner). They took exception to an article in Tuesday's World-Herald that noted that the Ziegman family has its roots in the Chez Paree, a gambling casino that operated illegally in Carter Lake during the 1930s and 1940s."

(The Bob Dorr story also raked over ancient charges against Jackie Gaughan, the Las Vegas casino operator listed by Ziegman as their consultant.)

The Herald's keno contract story continued: "Council president (Joe) Friend said, 'You can catch a robber, you can catch

a burglar, you can catch a thief, but it's pretty hard to catch somebody that assassinates someone's character. I think that's what happened here in this particular case.'"

Before we give the Herald too much credit for covering the quote from Friend, consider that TV stations played it heavily the night before. If this story just caught your attention, here's what led up to this raw episode in municipal manipulation:

The Herald reacted quickly, with both news and editorial guns blazing, when Ak-Sar-Ben failed to finish among the two top keno applicants recommended by an advisory committee. It headlined Ak-Sar-Ben's determination to take the battle to the City Council, and it raised editorial questions about gambling profits, wondering "how much would go to the Las Vegas casino owner and consultant who is associated with Omaha Community Betterment."

That was on Monday. On Tuesday morning, the Herald dropped the Dorr bomb on the front page:

"Lottery Finalist Family Tied to Notorious Casino."

What a scoop. The earth shook at Herald Square. Dust the shelf for a Pulitzer Prize. The Ziegman family had roots in a "notorious gambling casino."

Where did the Herald dig up such startling news? From its mustiest files. The Chez Paree closed 40 years ago. In 1949.

For decades, we've known Ziegman better for the not-so-notorious Rose Bowl and Ranch Bowl.

The Dorr bomb also dropped on Jackie Gaughan, for years treated in the Herald as an upright and accomplished citizen... when the Herald isn't hacking for Ak-Sar-Ben. Wonder of wonders. Dorr suddenly rediscovered that Gaughan was once a bookie.

Yes. As far back as 1936, when the 68-year-old Creighton Prep grad was all of 15-years-old.

The front-page grenade was entirely accurate, as far as I know. As councilman Steve Tomasek said, everybody knows Gaughan started out as a bookie. Same could be said for the Ziegman family ties to the Chez Paree.

But, Tomasek added, Gaughan has become "one of Omaha's most outstanding citizens."

Could be. I'm not going to lionize folks operating under the banner of a pretentious name such as "Omaha Community Betterment." I suspect we've got some people who made money from gambling in the past and who hope to profit from it in the future. But that's no page-one surprise.

It doesn't take an independent journalist to blush beet-red at the heavy hand of the Herald here.

What would happen if a politician reached back into the past and dumped his dirt on the dawn of election day?

The Herald, I hope, would denounce the sleazy politician.

What would happen if another newspaper, one that mistrusted Ak-Sar-Ben,

Continued on Page 5

Inside the "For-Profit" One-K

Profile of an Omaha Lottery Bidder

by Lothar Luken

Thanks to reporter Robert Dorr and his search through 50-year-old dusty volumes of newspapers, World-Herald readers now know everything they've ever wanted to know about the Ziegman family and their Omaha Community Betterment, Inc., the keno operator chosen by the City Council.

With its usual flair for obfuscation, the local daily is keeping its readers in the dark as to who are the principals of rival keno bidder One-K Corp. Only once, in the morning edition of Aug. 21, was One-K Corp. correctly identified as a "Nebraska for-profit corporation" owned entirely by Board of Governors of Ak-Sar-Ben, a non-profit organization. The IRS allows a non-profit organization to own and make money from a for-profit corporation, as long as the non-profit group doesn't make money.

By the time the evening edition came out that day, the description had been changed by deleting the words "for-profit," making the casual reader believe that somehow One-K was owned by Ak-Sar-Ben rather than by members of its board:

"Two corporations recommended by a city committee to become the lottery operator are for-profit companies. A third organization actively seeking to become the operator, One-K Corp., is a corporation with 100 percent of its stock owned by the Governors of the Knights of Ak-Sar-Ben, a non-profit organization."

Our check with the Nebraska Secretary of State's office confirmed that One-K is indeed a "for-profit" corporation. The distinction of profit or non-profit hardly mat-

ters, except that the W-H insists, as it did Aug. 21, that the top two keno contenders are "for-profit companies" and the third contender, One-K, is 100 percent owned by the Board of Governors of Ak-Sar-Ben, a non-profit organization.

The reality of the situation is that all seven keno hopefuls are for-profit companies; but One-K has the advantage of being owned by the city's power boys. Their vision is for hordes of us keno-starved patrons to flock to Ak-year-round to play numbers with One-K (or O-K, for short), profiting an expected \$3 million in the first year.

Since O-K is not owned by Ak-Sar-Ben, but would use its facilities, it can be assumed that O-K would pay a considerable lease to Ak. Whatever profits are left could stay with O-K or be turned over for community betterment projects.

The W-H's reluctance to disclose the background of the owners of O-K, warrants a closer look at some of the players.

1. Mike Harper of ConAgra and Riverfront Boondoggle fame. Recently he said that Harperland cost overruns were unfortunate, but that eventually the new prosperity would make all the tax expenditures worthwhile. He added that all these new people would be spending money in town and "getting their hair cut locally." Let's see, \$40 million in taxspending divided by \$6 haircuts comes to...?? Oh, well, it doesn't matter since Harper's haircuts can't amount to much anyway.

2. Mike Yanney of America First Companies, whose latest claim to fame was his

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Crisis Could Cost each Nebraska Household \$500

Loopholes Critically Narrow Nebraska Tax Base

The author is a senior associate with Economic Research Associates, Lincoln, Nebr.
by Donald W. Macke

Nebraska's personal property tax system is literally falling apart. The fallout to many Nebraska taxpayers may be higher taxes or drastic cuts in government services.

State and local government exists to provide the services that, over the years, the people of Nebraska have desired. Most services benefit a broad public need or good, but without question many government activities cater to vested interests and contribute to the public's cynicism of government. Adequate taxes are fundamental to keeping this system running. The crisis in Nebraska's personal property tax system threatens the very core of this state's capacity to meet its obligations.

How Did We Get Here?

This crisis has been in the making for more than 20 years, beginning in 1967 when the Legislature exempted household goods and personal items from taxation. Right or wrong, this action has been followed by the exemption of most agricultural equipment, business inventories, agricultural feed, seed and other farm-related goods, earth-moving equipment, and most recently as part of LB 775, corporate jet aircraft and other items. Out of a tax base of \$20 billion to \$25 billion, the Department of Revenue now estimates that more than half--\$12.9 billion--has been exempted from taxation.

The current crisis, illustrated by lawsuits and hundreds of filings for exemptions, should not be blamed on corporate greed, but the basic inequities created by years of selective taxation exercised by the State of Nebraska. As taxpayers, the burden created by this ever-narrowing tax base has driven up tax rates for those who remain taxed. The railroads' lawsuit only forced the issue of equity that average taxpayers have neither

the time nor money to fight.

The immediate impact of this crisis could, on average, cost each Nebraska household \$500 annually in additional property, sales, income or other taxes to compensate for the court-enforced tax-base narrowing. The longer-term impacts of this crisis are far less clear or certain. But the whole crisis puts forth a number of issues before the state administration, the Legislature and taxpayers. How we deal with these issues may well determine the future fairness and adequacy of Nebraska's tax system.

The Price of Bad Tax Policy

Nebraska's constitution includes language to protect its citizens and businesses from unequal taxation. For too long, the state has failed to seriously follow this constitutionally based goal.

Good tax policy and good government includes certain attributes:

--The system should treat taxpayers fairly and avoid discrimination.

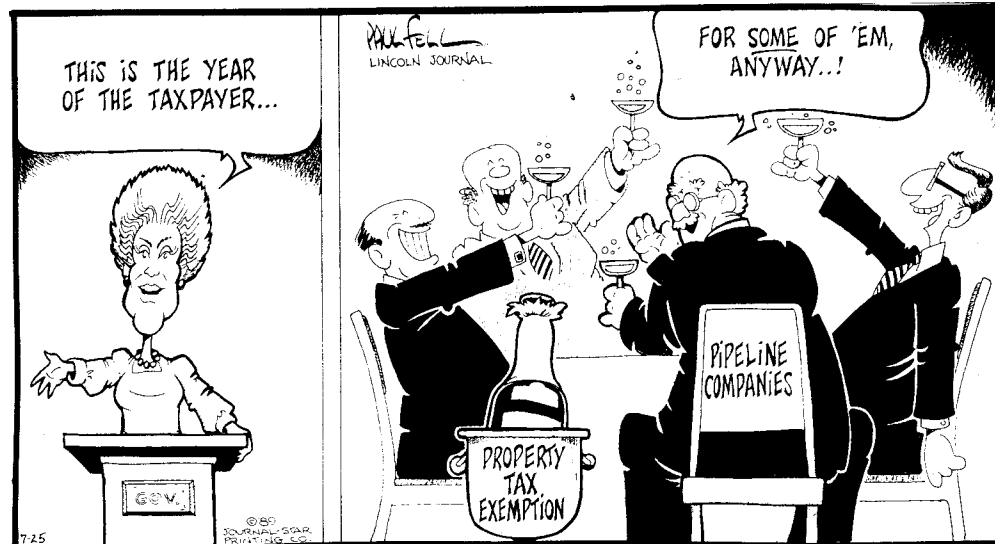
--Taxes paid should not exceed the capacity of taxpayers to pay.

--Government services should be provided to all citizens equally, regardless of geography, race, income, etc.

The narrowing of Nebraska's personal property tax base, first by legislated exemptions and now by lawsuits, has created and is a result of inequities in this tax system. These inequities have further narrowed the tax base and are creating excessive tax burdens for certain localities and groups of tax-

payors. Given these conditions, equal access to government services has been eroded. There is less access to government services in rural and isolated regions of Nebraska, and

dustries. Nebraska's wealth creation has lagged the nation for decades and, as a result, Nebraskans must accept fewer government services or higher relative tax rates



the access gap is widening.

The lesson here is that whatever solution is pursued to solve the current crisis, if it is to succeed in the long-term, must be based on sound tax policy--equity, reasonableness and access.

Understanding Our Rural Nature

Nebraskans desire a high quality of life and want government to provide appropriate services to achieve this goal. Nebraska is a rural state by national standards. Its economy is based in agriculture and related in-

(even after we adjust for a lower cost of living).

A sample of farm-based counties (Antelope, Chase, Garden, Hooker and Thayer) and Nebraska's metropolitan areas in Dakota, Douglas, Lancaster, Sarpy and Washington counties illustrate this point. Per capita earnings in the rural counties are 25 percent lower than in the metropolitan areas. Rural counties thus have lower real wealth available to support the costs of

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Observer Deadlines

The next issue of the Nebraska Observer will come out

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Copy is due Sept. 19. Story ideas for the Oct. 25 issue are due Oct. 10. Copy is due Oct. 17.

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Biodegradable Diaper Law Missed Key Points

by Colleen Aagesen

Why does a nice high-tech country like ours throw its human waste into landfills?

"And we see ourselves as civilized," mused Larry Goldstrom, Omaha's American Diaper Service's director of marketing.

Unlike some Third World countries, the United States has long had a system for dealing with human wastes through septic tanks and sewage treatment. Somehow disposable diapers, first introduced 27 years ago, have bypassed that system. Today we annually dump 18 billion diapers into our landfills, according to the Rhode Island Solid Waste Management Corporation. That's an estimated 2.8 million tons of untreated sewage.

Nebraska's Diaper Law

Yet this very important health and environmental issue was not touched in what has become known as "Nebraska's Diaper Bill." This year Nebraska became the first state to pass a degradable products law. Hailed by legislators as an answer to both environmental and economic woes, the Degradable Products Act specifies that non-biodegradable disposable diapers not be sold in Nebraska after October, 1993.

The bill passed 45-0, surprising even its sponsor, Sen. Elroy Hefner of Coleridge. "I thought I would just give it a try this year and see what happened," he said.

"I'm not trying to run anybody out of business," Hefner said, "I'm just trying to give manufacturers a nudge." Hefner, who owns a petroleum, feed, and fertilizer business and is past president of Petroleum Marketers, said he "talked to the petroleum people on both the state and national level and got them to back off."

He said, "I told them we're going to be banning all plastic if things get much worse. This way we'll still be using some plastic derivatives (of petroleum)."

Hefner said Nebraska farmers reap an economic benefit through another market for their corn since cornstarch is combined with plastic to help it biodegrade. "We feel it's a giant step in helping improve a waste problem and, at the same time, promote agricultural products," he said.

With the enthusiastic support of the National Corn Growers Association and the Nebraska Corn Board, the bill also set a timetable for the use of biodegradable, photodegradable, or recyclable trash bags, plastic loops that connect soft drink cans and grocery bags.

Hefner agrees the new law does not solve the rising landfill crisis. "What our law does is alleviate products lasting forever in the environment and give Nebraska corn products a market. The law is an alternative to recycling, because you're not going to change some people's minds. They will continue to use disposable diapers," he said.

The Nation's Diaper Use

Hefner may be right. The Rhode Island Solid Waste Management Corporation characterizes national yearly use this way:

- enough dirty diapers to stretch back and forth to the moon at least seven times,
- using 75,000 metric tons of plastic and 1,265,000 tons of wood pulp,
- costing \$100 million for landfill disposal via hauling and landfill gate fee costs,
- taking as many as 500 years to decompose in a landfill.

Hefner expects that by 1993 a diaper will be on the market that biodegrades within a year. RMED International, a division of Rocky Mountain Medical Corporation, currently markets a diaper called Tender-care that it claims is biodegradable. A two-and-one-half page press release promoting the diaper did not, however, say how long it would take to biodegrade.

Lured Away From Recycling

The Nebraska State Recycling Association's executive coordinator Monte McKillip said use of disposable diapers is a recycling issue. He said the Degradable Products Act may "lure Nebraskans into a false sense of security. Biodegradability is not the answer to all our environmental problems." McKillip said his primary concern is that Nebraska's diaper law does not address the introduction of raw sewage into landfills.

Patricia Greenstreet of the King County (Seattle) Nurses Association enumerates the following health risks from putting soiled diapers into landfills:

- sanitation workers are exposed to polio, hepatitis, and more than 100 other enteric viruses,
- soiled diapers are a feeding ground for disease vectors, and
- there is a potential for groundwater contamination.

According to the World Health Organization, "solid waste should contain no fecal matter and urine and the mixture of these should be prohibited by law."

Goldstrom pointed out that paper/plastic diaper companies do print warnings on the packages advising users to rinse the inside liner, "but they know people don't do this," he said.

Instead of the diaper debate being about what's best for baby and what's best for the environment, Goldstrom said the debate among single-use diaper manufacturers is about which diaper keeps baby drier, including discussion about colored diapers, designer diapers, and boy and girl diapers.

A single-use paper/plastic diaper consists of an outer layer of waterproof polypropylene. In between the plastic and a water repellant liner is a thick layer of absorbent material made from wood pulp treated with chemicals that absorb moisture.

'Plastics Don't Break Down'

David Wiles, director of the National Research Council of Canada Division of Chemistry, questioned biodegradability claims. "Plastics don't break down," he said. Wiles said people assume that bits of plastic (which remain when the cornstarch degrades) in a landfill are somehow superior to sheet plastic. He said, however, that smaller pieces of plastic can pose greater danger because of methane gas leachates.

"Even if the product is biodegradable," said McKillip, "landfill conditions may prevent decay." He cites University of Arizona garbologist William L. Rathje's recent landfill coring study which found 50-year-old readable newspapers and intact carrots undecayed because of insufficient oxygen.

Washington Post columnist Jonathan Yardley, in a recent scathing attack on manufacturers and users of disposable diapers, calls the USA "a land where the slob is king" in putting convenience before the environment.

How Cotton Stacks Up

Goldstrom, however, argues that cotton—at least in the form of a diaper service—is user friendly. "Our customers say we are more convenient (than disposables). They don't have to lug home boxes. They get soft, fluffy diapers delivered to their door, the soiled ones whisked away. No rinsing is necessary, no safety pins (because of Velcro fastened diaper wraps), and the price is cheaper than single-use diapers," he said.

Skip Laitner, Nebraska Observer columnist, said he and his wife are lucky to have

found a cooperative child care provider who welcomes cotton-diapered babies. Laitner said his Lincoln diaper service assisted in making arrangements to take diapers on the road. Goldstrom said diaper services can network from city to city so diapers are "delivered and picked up from Grandma's door."

Incentives should be given to cotton diaper users and single-use diapers should be taxed, according to Carl Lehrburger, recycling consultant from Sheffield, Mass. He also asks public health institutions to stop relying on paper/plastic diapers and asks manufacturers to support research and development of a compostable diaper and flushable single-use diaper that would flow through the sewage system.

University of Nebraska-Lincoln Chemical Engineering Department chair L. David Clements, who worked with Hefner on the degradable products bill, cautions that photodegradable products need sunlight and biodegradable products need warm, moist soil with plentiful oxygen and bacteria to degrade.

The Bottom Line: Reuse, Reduce, Recycle

Even as the degree of biodegradability remains a question mark, the human waste issue remains unaddressed, and the recycler's motto "Reuse, reduce, recycle," is eluded. Nebraska's new diaper law has made national news as an environmental first. McKillip concludes, "Any time we examine our use of plastics, that's a good step in the right direction."

ANNOUNCEMENTS

The Macrobiotic Community of Omaha will sponsor a weekend with David Briscoe, author of "A Personal Peace." Briscoe, director of the Macrobiotic Center of Kansas City, will share reflections on health and well-being Sept. 8, 9 and 10 at the Barone Building, 1207 S. 75th St. Call 397-4164 or 895-3442 to register before Tuesday, Sept. 5.

Nebraskans for Peace is sponsoring a reading by three local authors. Poet Greg Kuzma, essayist Ruth Thone and poet Greg Kosmicki will read from their own works Sept. 9 at the Union Pacific Room, Creighton University's Alumni Library, beginning at 7 p.m. Donation is \$2.50 for students and senior citizens, \$5 for the general public.

They're Still Discrediting Child Abuse Reports

by Frances Mendenhall

Nebraska seems to be a good place to be for people who are inclined to discredit allegations of child sexual abuse. As background we have a pattern of numerous state investigatory agencies failing to follow up on allegations of abuse in connection with the Franklin Credit Union. In July, the Special Committee of the Legislature lost its counsel, its investigator, and two key Senators, following a reported shift in priorities away from investigating child abuse. Then came the World-Herald editorial of July 23, which had to go fishing to come up with something nasty to say about the credibility of one of the alleged victims. Sen. Ernie Chambers responds to that editorial below. Now comes a book by Jimmy Chesire, a former Boys Town resident, detailing growing up in a institution where homosexual activity was common and staff members seduced boys. Boys Town Director Father Val Peter was quick to react, denying that Boys Town would condone activities such as Chesire described.

Does anyone ever believe an alleged victim of child abuse?

Sen. Loran Schmit, chair of the Legislature's special Franklin committee, in an

Professor Walker's Back-to-School Pop Quiz

by Sam Walker

Find a pattern in the following sequence of events:

Irregularities in the Franklin Community Credit Union begin some time in the early 1980s.

The Reagan administration comes into office January 1981.

Larry King switches to the Republican party early 1980s and sings the Star Spangled Banner at the 1984 Republican National Convention.

Franklin Credit Union escapes federal audit in the late 1980s.

Write an essay discussing possible patterns in the above sequence of events. You may draw conclusions and express opinions. Submit your essays to members of the local media who have not commented on any pattern in these events.

Men interested in a feminist-supportive mens organization will be meeting September 24, 7:00 p.m., First Unitarian Church, 3114 Harney. The organization will plan monthly activities such as films and speakers and provide a referral service for support groups.

For further information, call Jack at 551-2552.

interview with this reporter emphasized that the committee continues to be dedicated to investigating the allegations, but that "there's a difference between evidence and proof." He said he had already turned evidence over to the proper authorities, but declined to give any details. Schmit said that no further public hearings were scheduled, and when asked whether other members of the Omaha Police Department would be subpoenaed to a hearing, following up on the June 22 testimony of Officer Chris Carmean, he would not comment.

Questions About W-H Coverup

by State Sen. Ernie Chambers

Following is a copy of the "Another Point of View" that the W-H refused to print. Never, in the past, when one of their editorials mentioned me, have they refused to print my response. In this unusual instance, I talked with Editorial Page Editor Frank Partsch five times before he told me "they" decided not to print it.

Such conduct is reprehensible and raises questions about whether (publisher) Harold Andersen, indeed, may be trying to forge a cover-up.

A lengthy Sunday World-Herald editorial (July 23rd) lavished praise on Sen. Loran Schmit for changing the direction of the special legislative committee looking into the collapse of Franklin Credit Union, from child abuse allegations to "following the money trail." In adopting such a posture, the W-H merely exercised a legitimate prerogative. However, the method by which it attempted to justify its position was wrong. Going beyond trying to discredit young witnesses and abuse victims through ridicule, the editorialist wrote outright falsehood. I shall deal only with the most egregious example.

The editorialist wrote:

"The credibility of some of the child-abuse rumors has for some time been in doubt. One child, who has been under psychiatric care, is said to believe that she saw George Bush at one of King's parties. This is the same person whose story of a severed head was looked into. Neither tale could be verified."

Having read all committee reports, I say categorically (as has former chief investigator Jerry Lowe) that no child "who has been under psychiatric care" said anything at all about George Bush. The editorialist lifted bits and pieces from more than one report dealing with comments of more than one person, lumped them together and contrived, thereby, the false impression that it all came from the "same person." If negli-

Schmit said he planned to "use the same tools that I have used all the time before," but that the counsel and investigator would be working more closely with him. "I gave them great latitude before, and they resigned, and now I plan to work more closely with them," he said, referring to the July resignations of committee counsel Kirk Naylor and investigator Jerry Lowe.

The World-Herald in its story about the newly released book based on the author's formative years at Boys Town included more than just the Boys Town direc-

tor's denial. The story also quoted Peter as saying "I don't think his children would want to read it or be proud of their father for writing it," in a tone reminiscent of the put-downs the Herald's editorialist leveled at the alleged victim July 23.

Senator Schmit cites a long record of legislation in the service of children as evidence of his commitment to the cause. We don't doubt it. But we wish we could hear some specifics about what is being done. And some public accountability from the committee is a reasonable hope.

gently done, the act is professional inexcusable; if deliberately done, ethically reprehensible. (Incidentally, since the name of George Bush was mentioned, why did the editorialist not go ahead and include the names of prominent local persons, also?)

If the writer had access to committee reports, he could not possibly have concocted the offending paragraph accidentally. If somebody fed him the "information," his source lied. (The Lincoln Journal, in a front-page story dated July 25th, reported, "Frank Partsch, editorial page editor of the World-Herald, declined comment on the accuracy of the editorial and on whether (Sen.) Schmit gave information to the newspaper.") In any case, rectification should have been forthcoming from the W-H.

The falsity of the paragraph was discussed extensively on KKAR Radio (and a veteran W-H reporter heard it); I again discussed the matter in detail with the editorial page editor July 25th, two days after the KKAR program; the Lincoln Journal covered the issue in depth on July 25th; on July 26th, W-H reporter Robert Dorr told me, "it is not the News Department's job to correct editorials."

Speculating that the W-H would print a correction and apology the following Sunday (July 30th) since the falsehood was printed on a Sunday, I refrained from writing until now. It appears there is no intent to rectify the matter.

Curiously, the W-H on July 29th appropriately took issue editorially ("Fiction in Network News") with ABC News' use of the controversial, ethically questionable device of simulation, whereby events are faked to dramatize or enrich newscasts. The editorial declared:

"Such simulations are more commonly seen in 'tabloid television' shows....the use of similar techniques to illustrate television news is a highly questionable practice if any danger exists that the audience will take the simulation to be something other than it is. ABC could have avoided the problem by not using simulations."

The offending W-H paragraph was worse than a simulation; it was an outright falsification of the record and had the effect of discrediting young victims.

That the W-H knows it has an obligation to correct the record and apologize can be gathered from one of its own high-toned editorials written April 17, 1981 as a reaction to the Washington Post writer's hoax-story that won a Pulitzer Prize:

"A World-Herald senior staff member was upset: 'I am just sick about it. Maybe it shouldn't, but this reflects on all of us in the news business...'"

"The press already has enough trouble about credibility without something like this," our colleague said.

"Too many people may think a lot of reporters do that sort of thing."

"These words come from a newspaper person who, like others on our staff, is constantly trying to guard against inaccuracies and unfairness...[Unintentional errors are] not in the same class with a hoax perpetrated by a reporter or editor. That is unforgivable. When it does happen, as Benjamin C. Bradlee, executive editor of the Washington Post, said, 'there is nothing to do but come clean with our readers and apologize. We hope that our readers understand that our reporters and editors consider credibility and integrity their most precious assets. No one belongs in the news business who feels otherwise.'"

The editorial is titled "Credibility and Integrity Are Newspaper's Greatest Assets."

Will the present-day W-H adhere to the lofty standard articulated in 1981 and "come clean" with its readers and apologize, or is it to become known as the "Ostrich Herald" when its own shortcomings take center stage?

If credibility and integrity mean anything, the W-H has but one choice.

Double Standards From the W-H and Others

Continued from page 1

dropped a last-minute bomb on its spokesman, in this case Walter Scott Jr.? Let's say it linked Scott, as head of Kiewit, to the construction bid-rigging convictions against Kiewit affiliates.

That would be terribly unfair to Scott, whose only apparent association with the bid-rigging scandal was his tie to the corporate Kiewit family.

Those Kiewit cases were more recent, however, than some of the allegations trotted out against the Ziegman family.

Once again the Herald rushes in to save us. Once again we're ungrateful.

Don't we want them to dig into these things? Dig, yes, but drop the double standard. Don't treat buddies of the boss, Harold Andersen, one way, and everyone else another way. Even minor negatives sometimes disappear from stories about friends of the ruling family, then a hatchet job like this lurches out of the archives without a semblance of fairness.

What's unfair? Take the timing. The story should have appeared earlier in the process, soon after reports naming those involved.

Then Mayor P.J. Morgan wouldn't look like a puppet on Andy's strings. He seemed to be playing the Herald's game when he responded to the paper's Tuesday morning bomb with his Tuesday p.m. call for council delay on the keno decision. On Tuesday morning, the Dorr bomb drops; on Tuesday afternoon we get the Mayor's recommendation "that a comprehensive background check be done on the operators."

P.J., meet Jackie, meet the Ziegmans. Old, old news dumped like 11th hour garbage made Morgan jump like a marionette.

All for a story that relied heavily on old clippings. Not once, anywhere in the story, was there any attempt to contact any of the sources reported.

That may be explained in part by the fact that one key victim of the musty bomb, Sam Ziegman, died five years ago. Stay tuned tomorrow when the Herald reveals that keno profits will go to Elvis' ghost.

'Normal Enterprise'

You've read my reaction on Wednesday, now here's what G. Woodson Howe, Editor of the World-Herald, said in his paper on Thursday in reference to the Dorr bomb:

"We printed the story simply because it was news. It was a normal journalistic enterprise," Howesaid, adding that neither he nor (Managing Editor Bob) Pearman had any connection to Ak-Sar-Ben.

"As to the timing, it was the council's haste that made it nearly impossible' to adequately research the bidders any sooner, Howesaid."

Then on Friday, two Herald editorials

took Friend to task for saying he "resented what I sensed as an attempt to manipulate through the media," including both the Herald and KMTV, which commented on campaign contributions by Ben Weisman, an associate of the Ziegman family. A second editorial headed, "It Was Also News in Des Moines," defended the Herald's coverage by citing a similar story that ran two days later in the Des Moines Register.

The editorial concluded, "Some Omahans might wonder how Councilman Friend, who called it an attempt to manipulate when the story was printed in his hometown paper, explains the fact that much the same information is considered newsworthy as far away as Des Moines."

Sorry, Woody, but you can't duck behind the derivative Register story. It didn't come out in Omaha the day of the vote, but followed the contract vote, and it actually included some balancing comments from Steve Tomasek.

Nope, no comparison to the heavy-handed hatchet job, which you call "normal."

Tale of Two Ditties

It was the best of Kays, it was the worst of Kays: A tale of two ditties, one sung by the Herald, the other by people.

The people of Nebraska, polls say, rate Governor Orr's performance lower than any state leader in the history of the polls. Only 43 percent approve, while 49 percent disapprove.

So the Herald immediately whipped out its umpteenth editorial insisting that the people don't know what they're talking about. Heaven knows the Herald does its best to berate anyone who blames Orr for anything.

I doubt the gov deserves either the low rating or the Herald's exemption from responsibility. In any case, you'd think all those Herald image-boosting photos and general puffery would pay off more in the polls.

Hang On, Zippy

Hmmm. Seems Ed Jaksha has replaced Bloom County in the Metropolitan.

Can we expect Lee Terry to sub for Zippy the Pinhead? Will a Chuck Sigerson attack on the "tragedy" of Woodstock counter Kristen Parrish Lueth's anniversary spread on the rock concert that won't go away?

Footnote for newcomers: Ed is the energetic taxfighter, Lee was a TV journalist who is leading the Republican Party into the 20th Century, and the Chucker is a community-spirited member of the GOP who wrote a Public Pulse letter denouncing media enthusiasm for Woodstock. (But, Chuck, if it was all drugs and sex and trash, how did so many survive to bore us with

their reminiscing?)

Ron, Nancy and Privacy

I teach at UNO, but know nothing that any news junkie hasn't heard about the privacy of Ron and Nancy.

Nancy Hoch, with a little help from her friends on the Board of Regents, fired Ron Roskens as chief executive of the University of Nebraska system. And gave him a going-away present worth more than a quarter-million dollars.

Not to mention another token: a little stone wall of privacy.

The Regents agreed not to tell us why they got rid of a leader who had been highly praised in the past as UNO chancellor and then system president for 12 years. Hoch said attorneys told them not to talk.

On TV, I advised all government officials to hire those attorneys if they want to keep the public in the dark. And I applauded the Lincoln Star. Its editorial headline said, "Regents owe public explanation

of actions."

Still true, still do. They make the most newsworthy decision of their public careers and claim privacy. But the public seems to understand that the Regents could talk quite freely, with no fear of lawsuits for fair and truthful comments, if their reasons would stand the light of day.

The Herald defended their silence. So did the Hastings Tribune, which argued that nothing more need be said if Roskens and the Regents shared the desire for silence. Seems to me there's a third party to this divorce.

The Herald's diffident yawn was ironic. Only once in memory did the daily turn its unsigned editorial space over to an outside byline. On that occasion, Ron Roskens was the author of an editorial tribute to publisher Harold Andersen, the newly-crowned King of Ak-Sar-Ben.

How history teases us, as time flies its erratic course.

Narrow Tax Base Spells Trouble

Continued from page 2
government.

The cost of providing government services are inherently higher in most rural areas. Lower population densities mean higher per-pupil and per-mile costs for schools and roads respectively. Poverty rates are higher in rural Nebraska than in urban Nebraska. Lower growth rates in rural areas generate less government income from non-tax-fee sources. Rural economies are less diversified with few tax options other than property taxes. Finally, rural counties have proportionately larger older populations with coinciding costs.

With less wealth and higher costs, these rural counties have higher tax burdens. Using the taxes paid to earnings ratio as a measure, rural taxpayers have a local tax burden 75 percent higher than in the state's metropolitan areas.

Lesson No. 2 is this: if we believe that all people are entitled to fair access to government services, then there must be greater reallocation of tax revenues from the urban to the rural areas of the state. If people living in rural Nebraska were paid more for what they produced (the United States prefers having access to cheap agricultural commodities), their capacity to pay their share of state and local government costs would be greater. As Nebraska struggles with this crisis and its tax system, this reality must be faced and included into the emerging solutions.

Mismanagement Intensifies the Crisis

While the current crisis can not be blamed on the Orr Administration, it is clear that

this administration and the Legislature have failed to meet the real tax challenge--property taxes. The administration's efforts to litigate this problem away will likely fail and force legislative action. While the administration has overhauled the personal and income tax systems, which were in relatively good shape, they have failed to pursue meaningful property tax reform.

This neglect has contributed to the burgeoning personal property tax crisis. Instead of focusing on the real tax issues in 1986, 1987 and 1988, the Orr Administration has solved several non-problems such as removing progressiveness from the personal income tax system and giving away 50 percent of the corporate income tax base through ill-conceived and ineffective economic development tax incentives. Opportunities still exist to resolve this crisis through cooperative discussion with Nebraska's taxpayers, but three years of critical time has been wasted.

Some Parting Thoughts

Nobody wants to pay taxes and everyone wants services as long as someone else pays for them. But Nebraskans take their civic duties seriously. They realize that roads and schools cost money and must be paid for through taxes. The State of Nebraska has played fast and loose with the fairness rule within its tax system for 20 years and now must come to grips with the constitutional requirements for tax equity. This crisis could potentially lead to a renewed commitment by the Governor and Legislature (present and future) to a good tax policy based on fairness, capacity to pay, and the economic realities of the state.

Why Bush's Proposal for Conventional Arms Red

The Conventional Forces in Europe talks resume in Vienna September 5.

On the table will be non-nuclear forces of all countries in the North Atlantic Treaty Organization (NATO), and the Warsaw Treaty Organization (WTO). These two alliances account for 83 percent of world military spending, and three fourths of the spending in these nations goes to conventional forces.

This summer Congress passed the Gejdenson-Mavroules-Aspin Resolution which requires President Bush to carry out feasibility studies of 25 - and 50-percent cuts with a defensive orientation.

U.S. taxpayers spend approximately \$175 billion for the "defense" of Western Europe (almost \$1,600 per taxpayer per year).

by Rob Leavett

The author is with the Institute for Defense and Disarmament Studies

President Bush should be commended for his ambitious promise at the NATO summit last May to achieve an East-West conventional force reduction agreement within a year. For more than 40 years the East-West military standoff, centered in Europe, has poisoned international relations, consumed trillions of dollars of productive resources, facilitated domestic political repression (especially but not exclusively in Eastern Europe), and justified for each side the possession and plans for use of thousands of nuclear weapons.

Dismantling this confrontation would bring tremendous rewards: substantial financial savings, a more cooperative international environment for tackling global problems, and a security regime in which the nuclear nations could move beyond reliance on suicidal threats.

Bush Proposal Limited

Unfortunately, the actual Bush proposal is quite limited in scope, and its adoption would yield few of the benefits that should result from ending the military confrontation in Europe. Rather than aim for a real demilitarization, the Administration has combined moderately progressive rhetoric with one-sided arms control proposals that would reduce substantially Soviet conventional military strength while leaving intact that of the U.S. and its NATO allies. This strategy fails to respond in kind to Gorbachev's remarkable initiatives; it also minimizes the potential economic dividend of deep multilateral cuts in conventional forces.

West Refused Air Cuts

Prior to the NATO summit in May, the Western position in the new negotiations on conventional forces in Europe (CFE) appeared quite obstinate. NATO had proposed that each side reduce its primary ground force equipment (tanks, armored fighting vehicles, and artillery) to equal

ceilings just below current NATO levels. This would require deep asymmetrical cuts by the Warsaw Treaty Organization, and especially by the Soviet Union.

The Eastern position, by contrast, accepted the basic NATO approach, but demanded that if the WTO would give up its numerical advantages on the ground, NATO must reciprocate by cutting significantly into the main area of Western conventional strength, attack ("strike") aircraft. The West refused to discuss aircraft reductions at all.

Bush: Modest Air and Personnel Concessions

The much-ballyhooed Bush concessions at the NATO summit in Brussels were in fact extremely modest; in some ways they actually moved further away from the quid pro quo proposed by the WTO. On aircraft, Bush proposed that a ceiling be placed on all aircraft, not just attack types. Because the Soviet Union maintains a very large force of air defense interceptor plans, the ceiling would require deeper cuts on the WTO side. Moreover, when NATO officially tabled the Bush proposal in Vienna in July, the inclusion of training aircraft ("anything that flies and shoots" according to Bush Administration officials), meant that NATO would not technically have to cut any attack aircraft at all.

On military personnel, another area for which the WTO had been proposing limits in Europe, Bush "conceded" only that U.S. and Soviet troops stationed in Europe should be cut to equal limits; personnel for each superpower's allies would remain unlimited. Because the Western European militaries are so much larger than the Eastern Europeans' the Bush proposal would allow a significant imbalance in favor of NATO.

WTO: Deep Reductions of Armored Tanks

Notwithstanding the West's one-sided approach to the talks in Vienna, the WTO has adopted an arms control strategy that places far more emphasis on budgetary savings and improved East-West relations than on traditional military concerns. With both

unilateral reductions and multilateral proposals, the WTO has prioritized deep reductions in precisely those forces (armored tank divisions) that have for decades appeared most threatening to the West. As a result, the WTO may well accept an agreement in Vienna that adheres closely to the Bush proposals.

Problem One: Inadequate Reduction of Offensive Forces

A Bush-NATO "success" in the CFE talks would fail to address adequately at least three critical problems facing the United States. First, the likely agreement would fail to create a truly stable and secure military environment in Europe. As alternative defense advocates have long argued, a numerical balance of forces is less important than the creation of "defense-dominance," a situation in which any potential attacker would face a greatly superior nonoffensive defense.

Although the CFE talks are rightly focused on offensive capabilities, neither side's proposals go far enough in eliminating offensive forces. Each side would leave in place a standoff of numerically offensive

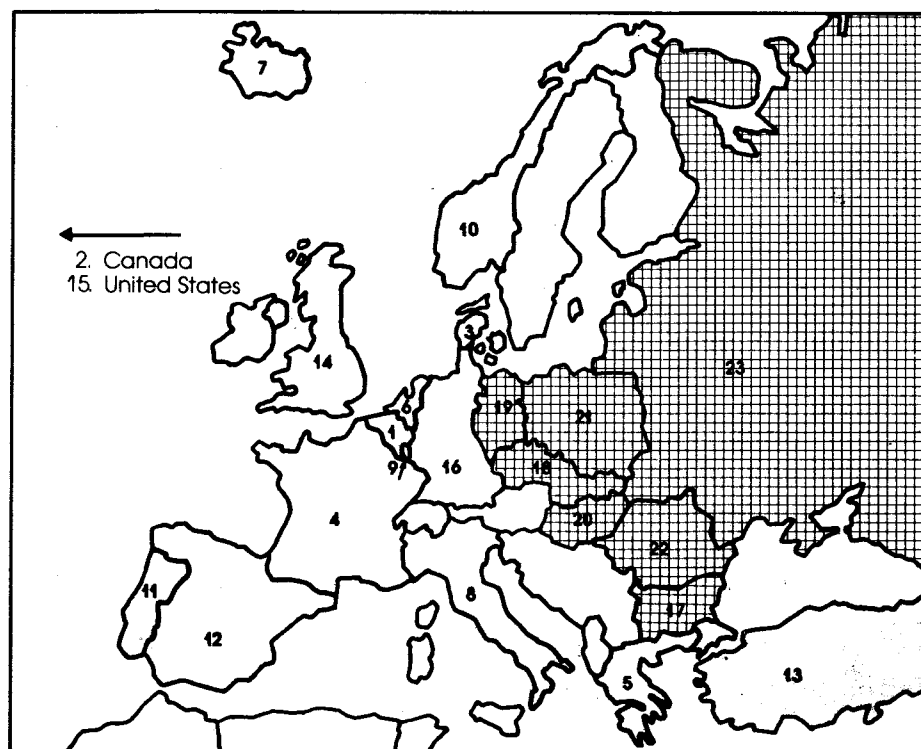
force. Each side would leave in place a standoff of numerically equal but still attack-capable forces. Moreover, the technological competition in weaponry could continue full force. Already U.S. military officials have testified that any agreement would not require the dismantling of the most modern weapon systems; according to the insider magazine *Aviation Week and Space Technology*, Western leaders are strategizing ways to modernize and enhance offensive air power in the context of a reduction agreement. The U.S. is also marching ahead with the modernization of tactical nuclear weapons for use in Europe.

Problem Two: Little Reduction in U.S. Costs

Second, the U.S. would fail to reap any noticeable savings from its own proposal. Although the U.S. commitment to NATO comprises at least half of the \$300 billion annual military budget, the Bush proposal would save only about \$2 billion per year, or about 1.5 percent of military spending.

The meager potential savings reflect both the modest reduction proposal for

Participants in Conventional Stability Talks



(Source: American Academy of Arts & Sciences and Ploughshares Fund)

NATO

1. Belgium
2. Canada
3. Denmark
4. France
5. Greece
6. Holland
7. Iceland
8. Italy
9. Luxembourg
10. Norway
11. Portugal
12. Spain
13. Turkey
14. United Kingdom
15. United States
16. West Germany

Warsaw Pact

17. Bulgaria
18. Czechoslovakia
19. East Germany
20. Hungary
21. Poland
22. Rumania
23. Soviet Union

NATIONAL FORCES TALKS

Reduction is Inadequate

NATO forces and the little-known but critical fact that few U.S. forces are even on the table. Although about 70 percent of all Soviet ground and air forces are included in the CFE mandate, only 10 percent of U.S. aircraft and 30 percent of U.S. tanks are so included. The reason: the mandate covers all forces based in European territory from the Atlantic to the Ural Mountains deep in the USSR (and thus most Soviet forces), but most U.S. forces earmarked for NATO are based in the United States with training for rapid reinforcement to Europe.

Problem 3: Europe Wants Us Out

Third, the Bush-NATO proposal fails to meet the growing demand of Western European publics for a sizable reduction in the intrusive military presence (especially that of the U.S.) on their homelands. As the decline of the Soviet "threat" weakens the glue of the Western alliance, the maintenance of harmonious and productive transatlantic relations becomes both more difficult and more important—especially in the context of increasing political-economic integration in Western Europe and emerging chaos in the East.

Moving Beyond Containment

In order to meet fully the challenge of moving, in Bush's own words, "beyond containment," the administration must put forward a much more ambitious agenda for dismantling the East-West military confrontation. Such an agenda should include at least four items:

Much deeper, defense-oriented cuts in Europe. Bush is right to call for a "war-

free" Europe, but this must not be translated simply as the creation of two facing alliances that look like NATO circa 1989. Reconsideration of the necessity of the Europe-oriented forces based in the U.S. and not included in the CFE mandate.

Deep reductions in naval and other power projects forces and the development of international nonintervention and regional conflict resolution agreements.

Deep reductions in strategic and tactical nuclear weapons.

The reopening of the Vienna talks in early September provide us with an important opportunity to press forward with a broad but concrete agenda for ending the arms race in all its dimensions and shifting greater resources and attention to the full range of urgent nonmilitary security issues (housing, health care, environmental restoration, third world development, and so on). While not ignoring the progress that has been made in the first phase of the Bush Administration, we must also maintain the clearest sense of the shortcomings of the Bush strategy in relation to our more fundamental needs.

Nebraskans' Yearly Military Bill

Total military spending	\$1,673,280,000
Star Wars	\$375,200,000
Nato forces, defense of	
Western Europe	\$98,000,000
Trident D-5 missile	\$14,336,000
MX missile	\$7,894,850
Pentagon waste, fraud	
and abuse*	\$168,000,000

*Grace Commission estimate

LETTERS

Distribution of Defense Expenditure Pamphlets Stopped at SAC's 'Open House'

Dear Editor:

I am a 70-year-old patriot who attended the recent public open house at Offutt Air Force Base. While there, I saw a booth where soldiers were taking pictures of children. Each child was slipped into a camouflage flak jacket, had a bandolier of bullets draped across his chest, a helmet placed on his head, and an automatic weapon placed in his hands.

This in a society which professes to abhor violence!

I, on the other hand, found myself suddenly surrounded by guards, ordered into a security car, taken to a guarded room, and detained there for some time while they decided what to do with me. My offense? I was handing out leaflets which told how

much Nebraskans spend for "defense." One billion, 750 million dollars each year! (Center for Defense Information.)

I am indignant! Both at the treatment accorded me for simply telling the truth about the amount of money Nebraskans spend each year on war preparations, and also at the corruption of our children by this glorification of war and violence. I have seen far too many devastating pictures of dead and injured children shattered by war to be amused by the sight of little ones with automatic weapons in their hands.

But apparently my actions are considered far more dangerous to society than the corruption of our children by this blatant brainwashing.

--Peg Gallagher

Soviets Cuts Were Unconditional

The author is former secretary of the U.S. Army and former U.S. chief negotiator at the Mutual and Balanced Force Reduction (MBFR) talks. This article is excerpted from a talk given at a press briefing given by the Arms Control Association June 1. by Stanley R. Resor

Last December NATO announced and then in March put down a very demanding position, seeking the complete elimination of disparity in three major armaments--tanks, artillery and armored troop carriers. And in return it offered nothing of real value with respect to (NATO) Pact concerns.

To everyone's great surprise, Soviet Foreign Minister Shevardnadze, when he came to Vienna on Mar. 6, agreed to completely eliminate the disparity in these three major armament categories. He went on to ask that the principle of parity be applied also to strike or ground-attack aircraft, armed helicopters and manpower. And, of course, he referred to the East's continuing interest in eliminating nuclear weapons.

What you have here now is essentially a radical restructuring of the military confrontation in Europe and the possibility of changing that confrontation from one of unregulated competition to one that would be comprehensively regulated by an arms-control agreement. Such an agreement should significantly reduce both the risks and the costs of the confrontation.

Why are the Soviets willing to do this? The two major reasons are, of course, Soviet President Gorbachev's need to transfer economic resources and his and Shevardnadze's realization that their past foreign policy has been counterproductive and ineffective with respect to Europe. These led to

the development of the reasonable sufficiency criterion for their forces in Europe.

The series of steps Gorbachev made just before President Bush's initiative show Gorbachev's seriousness about reaching an agreement and also the scope of the opportunity. First, in December, came the announcement of a unilateral withdrawal of 50,000 troops, six tank divisions, and 5,000 tanks from Eastern Europe—with two-thirds coming out of the key area, East Germany. This was followed by a series of announcements by all the Soviet allies of planned unilateral reductions.

Then, the next thing was the tabling of data. The ministers of defense of the Warsaw Pact on Jan. 30 tabled comprehensive data, disaggregated both as to nations and armaments. This is entirely different from anything that went on in MBFR.

Next, Shevardnadze made his statement in Vienna, which was mentioned earlier. That was followed in turn by the Gorbachev-Baker meeting in which Gorbachev made clear that they were accepting our exact limits for tanks and armored troop carriers, were in the Nowball park on the number of artillery pieces, subject to further definition, and were quantifying the size of their reductions, for example, 40,000 tanks. In other words, the Soviets recognized that reductions would involve a huge asymmetry and they were willing to swallow that.

And then, on Mar. 23 the Soviets did something particularly striking to someone who comes out of MBFR. They accepted our demands for national subceilings on the Soviet Union, that is, a limit on the number of Soviet arms and troops in Eastern Europe, and a limit on the share of the Warsaw

Continued on page 9

Housing Now Seeks Cut Funding

The author is a volunteer for RESULTS, an international organization of activists working against hunger. by Theresa Imhoff-Gannett

A coalition of organizations representing homeless and low-income Americans, along with celebrities, homeless people, the religious community, labor, civil-rights activists, peace-and-justice workers and others will march on Washington, D.C. Oct. 7, 1989. The "Housing Now!" event will provide an opportunity to draw attention to the desperate need for the restoration of Federal support for low-income housing. Since 1981, budget authority for all Federal housing assistance programs has been cut from \$32 billion to less than \$8 billion.

The march is coordinated nationally by Mitch Snyder at the Center for Creative

Nonviolence in Washington, D.C. Valerie Harper and Jon Voight have taken on enlisting the support of the celebrity community. To date, more than 100 celebrities have endorsed the march. Children are being asked to write letters to Congress, and Casey Kasem has agreed to read some of the children's letters on his weekly radio show, which reaches 100 million people each week.

In addition to the march, there will be special "Lobby Days" Oct. 5 and 6 so that attendees can meet with their members of Congress to express their concern about the lack of affordable housing. You are invited—urged—to be part of this massive and peaceful effort. Contact the "Housing Now!" coordinator in Omaha, Rich Koeppin at St. Anthony Day House (457-6436) if you would like to attend, or call the Omaha chapter of RESULTS at 551-1217.

Cable Rate Hikes Call for Vying Franchises

by Frances Mendenhall

Cox Cable holds a franchise from the City of Omaha that allows it to operate without competition. Craig Herman maintains that Cox got the franchise by making promises it should have known couldn't be kept. Herman tells a story backed up by Cox literature.

"They undercut everybody else in order to get in," said Herman. "Once in, they hiked rates and cut services."

Herman's bill for basic services reflects the rate hikes. When his service began in 1982 he was paying \$7.50/month for Tiers I, II, and III. Now his bill for the same package is \$16.50/month. "Nineteen eighty-four was a particularly big year," said Herman. "They raised rates three times that year, going from \$7.50 to \$11.50."

Nationwide, the average rate for basic

services was \$14.48 last October, offering an average number of 32 channels. American Heritage Cablevision serves Council Bluffs, offering 32 channels at \$14.95. American Heritage plans to raise their monthly rate to \$16.50 Sept. 1.

Cable representatives see the rate hikes as reflecting improved services. Comparing rates in 1980 to now is like comparing the price of a Model A and an LTD Ford, said Richard Hook, General Manager of Cox. But Herman argues that Omaha was promised an LTD, not a Model A.

Herman and others cite INDAX as one of Cox's biggest unkept promises. This was a package of interactive services which Cox promised would open up a large world of information including banking and shopping at home, and a channel for kids with stories, riddles, and games. It would be "open"

24 hours a day, 365 days a year," at a cost of \$3.45/month over basic cable service charge. "The Future is Now," said a Cox brochure.

But things changed. Technology that seemed promising and highly marketable, met with unforeseen competition from services such as CompuServe, a videotext service. By 1989, the average consumer would have little interest in the kind of service offered in the INDAX package through the cable medium.

Another Cox fiasco was Cableguard security, a home security service that was to operate through the cable hookup. But cable service suffered from a lot of down time during which homes were sitting ducks. Cableguard had to come up with a phone line backup.

Strategy: Rent a Celebrity

Cox was awarded the franchise in Omaha in 1980. Its strategy for getting the award included making stockholders of a handful of influential Omahans, including the wife (now ex-wife) of P.J. Morgan, now Omaha's mayor. Along with the stock came a promise of having the stock bought back in five years at its appreciated value. Omahans remember this as the "rent-a-celebrity" tactic. Industry spokespeople, however, saw such people as agents, not unlike realtors, who had an interest in selling something. Although many cable companies got established in their target communities this way, some question the propriety of the approach.

A second part of the strategy, one that many consumers are feeling burned on, was the promise of INDAX. "Cox knew it wasn't possible to deliver on its promise," said Mary Kay Green, one of only two City Council members at the time who voted against giving Cox the franchise. She cited flaws in INDAX such as problems with privacy when people do their banking with the system, its lack of economic feasibility, and its demonstrated inoperability in other cities.

But Hook said he feels that INDAX was offered in Omaha and turned down. Besides, by 1980 it had met with some success in San Diego, Tucson, Portland, and New Orleans. "It (offering INDAX) wasn't done as a ploy to get franchises," said Hook. It was done as a business venture. There were a lot of hopes and dreams for it. But if people don't want to buy it you can't make them buy it."

Tom Mumgaard, Assistant City Attorney, said that Cox still has an obligation to provide INDAX, but that obligation was modified by language in a City Council amendment which relieved Cox of its responsibility "as long as the service is neither consumer acceptable nor commercially viable." At the time Cox paid the city a substantial settlement for loss of franchise fees.

It is still up to Cox, said Mumgaard, to

demonstrate acceptability and viability by analysis and test marketing. Regarding the studies presented at the time they were seeking the franchise in 1980, Mumgaard said that new analysis would be needed since Cox was relieved by deregulation of its obligation to stick to the rates it promised. Hook said that such studies are currently being conducted.

Deregulation

When the franchise was awarded in 1980, the industry was regulated. It was possible for the granter of the franchise to control rates, among other things.

But the industry was deregulated between 1984 and 1986. Cities could still require that cable companies be granted a franchise, but their ability to regulate was very limited and did not include rates to be charged.

Omaha's franchise to Cox lasts until Sept. 5, 1995, and would be difficult and expensive to terminate unless Cox demonstrably breached its contract. It is not, however, necessarily exclusive. Hook said that his company has found competition to be useful in other circumstances, and would welcome it here, "as long as the playing field was kept level."

Most of the 9,000 cable franchises in the U.S. are monopolies. But, according to recent Wall Street Journal articles, "the winds of competition are rustling in the cable business." Two or three dozen communities now allow second cable companies to compete. And Consumer Federation studies have concluded that effective competition would halve monthly cable bills for most consumers, saving \$6 billion a year.

Competition in Georgia

According to a Wall Street Journal story of August 10, 1989, "Prying Open the Cable-TV Monopolies," by John R. Emshwiller, "In Vidalia, Ga., John Collins and his Southland Cablevision Inc. are going head to head with a unit of Tele-Communications, Inc., the biggest cable operator in the U.S. Since Southland was launched in March 1988, it has taken about 2,000 of TCI's 4,800 cable customers, according to Mr. Collins, a former building contractor. TCI ways the number is lower than that, but won't be more specific.

"Faced with a rival, TCI has slashed prices. Mr. Collins says he meets those cuts in the parts of his service where he can afford to and resorts to guerrilla tactics when he can't cut prices. After a recent 37 percent price cut by TCI on basic monthly service, Mr. Collins trumpeted his competitor's action in newspaper ads that ran in Georgia cities where TCI has cable monopolies and didn't cut prices. 'That should get them a few phone calls,' Mr. Collins said."

Has Cox Kept Its 1980 Promises?

What Omaha Was Promised

Not all services listed in Cox's 1980 literature but as yet undelivered can be thought of as broken promises. Many networks have evolved into others with different features. Others have gone out of business and been substituted.

But even with the benefit of the doubt for some items, others remain unaccounted for. Some promises broken or partially broken (from Cox's brochure):

- INDAX
 - Current price information for a variety of food and drug items in Omaha.
 - Airline arrivals and departures, train schedules
 - Hotel room availability
 - Entertainment seat availability
 - Real estate listing (available sometimes, "when realtors want it")
 - Restaurant guides
 - Classified ads (these have come and gone many times)
 - Some services not offered because the networks are out of business:
 - Video Games
 - BBC in America
 - UPI Sports News

What Omaha Actually Got

Interactive services

- For computer owners: basic free hookup providing information on stocks, etc. For \$19.95/mo. Real Time Stocks gives more detailed financial information
- For non computer owners, "Data Transmission Network" for \$34.95/mo., which includes the rental of the terminal, is a financial service which includes stock quotes
- Express Service
- Silent Network, captioned programming for the hearing impaired
- Special movie channels

- FM radio services
- Community and public access
- Super stations, WGN, WTBS, WOR, and Turner
- Cable News Network
- All local commercial and public stations
- Government access (City Council, departmental meetings or special hearings) and Municipal Bulletin Board
- Omaha Community Channel (by, for and about the people of Omaha)
- Weather and storm alert
- Christian Broadcasting Network
- C-Span
- Local ecumenical access and selected satellite programming from PTL and Trinity Broadcasting Networks
- CNN
- Nickelodeon
- Satellite Program Network (old movies. Replaced by American Movie Classics)
- ESPN
- Black Entertainment Network
- Community and Public Access

Substitutions and Modifications

Cox's original literature promised "up to 108 channels." Omaha actually got 42, including many duplicates and part time channels. One is dedicated to in house advertising only.

Some promised services were offered, only to be removed later. These include Omaha Employment Opportunities (jobs listings and positions wanted), Reuters Newsview and WFMT (Chicago's classical and fine arts radio station), and emergency phone numbers, which never were interactive as promised.

Finally, a number of Cox services were offered, but not in an interactive mode. These include medical, dental and child care information, tours and sightseeing information, shopping (done with an 800 phone number).

Nora Nuclear Waste Coalition to Hold Rally

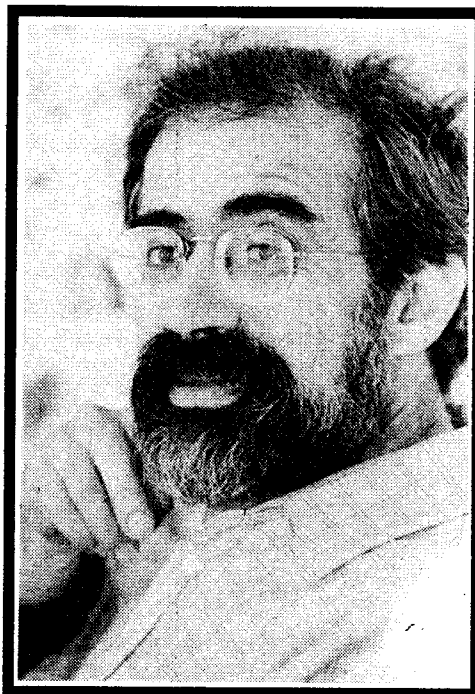
by Brenda Smith and Lynn Moorer

Members of Concerned Citizens of Nebraska, the Kansas Coalition on Nuclear Waste, Nebraskans for the Right to Vote and 30 other organizations are planning a rally in Nora, Nebr., Sunday, Sept. 17. Dr. Marvin Resnikoff, a nuclear physicist of the Radioactive Waste Campaign, will give the keynote address. Resnikoff is an international expert on nuclear waste management and has testified often before state legislatures and the U.S. Congress.

Resnikoff has done in-depth study of transportation of high level waste. He was consulted for the remediation and closure of the leaking Maxey Flats, Kentucky nuclear waste landfill.

The groups will be kicking off a class-action lawsuit challenging the constitutionality of the Low-Level Radioactive Waste Policy Amendments Act of 1985. "The 1985 act violates the 10th Amendment to the Constitution, regarding the sovereignty of states, and the 11th Amendment, limiting federal judicial powers against the states," said Robert Eye, an environmental law expert.

The groups fear the construction without community consent of a "low-level" nuclear waste dump in one of three Nebraska counties by Jan. 1993. The State of Nebraska must take title to, and liability for, all "compatible waste in and from" the compact states of Kansas, Nebraska, Oklahoma, Louisiana and Arkansas when the facility is constructed. The Central Interstate Low-Level Radioactive Waste Compact is closest to meeting federally mandated deadlines, and some therefore believe that its progress may determine the fate of



Marvin Resnikoff (above) will speak at September 17 anti-compact rally. For more information, contact Edd Epley, co-chairman, Concerned Citizens of Nebraska, Nuckolls Country Chapter, Rt. 1, Nora NE 68961 or call 402/225-4275.

the other states.

Drilling rigs are already at work on the three proposed sites. At Nora, the proposed site is located in prime farmland adjoining the Ogallala High Plains Aquifer, which serves seven states with groundwater. Drillers for Bechtel National, a subcontractor for US Ecology, have hit an apparently level plane of water only 40 feet from the surface of the land, yet the work goes on.

Eye, a former assistant attorney general of Kansas who is the attorney for groups fighting the act, is preparing a federal class-action lawsuit. Any aggrieved party may sign the suit. Groups at the rally will gather signatures for the suit, or, if the suit is not ready for signing, a support statement. The groups have set a goal of 5,000 signatures.

Cox Rate Hikes and the future of Cable Television Monopolies

Continued from page 8

Herman has been frustrated in attempts to get good service. "The line is always busy," said Herman. "And even if you get through you can't get good service without actually going down there." Herman gives away pens that say "Cox: First in Rate Hikes, Worst in Service." Hook said that additional phone lines had been installed to remedy these problems in the last six months. "Ninety-five percent of the time, you can get in on the first call," he said.

Meanwhile another group is angry with Cox over their discontinuing of the Financial News Network (FNN). Subscribers Allied for Viewing Excellence (SAVE) was announced in a June 14 letter to the *Metropolitan* by John Kucera. It was described as an ad hoc organization of Cox Cable Omaha subscribers who believe Cox Cable's decision to drop FNN in favor of the Consumer News and Business Channel (CNBC) should be reversed. SAVE believes CNBC's programming to be too far inferior to FNN's to catch up. Kucera's letter states that Cox "entered an exclusive contract with CNBC that gives Cox a financial incentive to drop FNN." Another complaint: "no reasonable attempt was made to solicit viewer opinion prior to the change in programming." Hook feels

that a reasonable attempt was made, mainly by NBC, the parent network of CNBC, the Consumer News and Business Channel, offered instead of FNN. The idea was to present the information in a format useful to more people. But Kucera finds CNBC "much more shallow and incomplete for the specialized audience of serious investors. Kucera and SAVE continue to seek restoration of FNN."

In Congress, a General Accounting Office study released Aug. 3, documented rate increases since deregulation. Lower-quality service also drew complaints. Change seems likely, in the form of reregulation, or allowing for more competition, or both. With thirteen bills related to the cable industry now introduced in Congress, Omaha may not wait until Cox's franchise expires in 1995 to reconsider its cable options.

Soviet Cuts

Continued from page 7

Pact's men and material which could be held by Soviet forces in a region stretching from the Atlantic to the Urals. Mind you, these were all unilateral steps by Gorbachev before he had any idea whether we were going to respond to his concerns.

Wine and Cheese Ticket Sales Kickoff at Antiquarium, Sept. 8

Haven't you always wanted a "No Sacred Cows" button like the one below? They come in black and white and are sure conversation starters.

No sacred cows is what our readers have come to expect from the Nebraska Observer's annual extravaganza and fundraiser, the famous Counter Press Club Ball. The ball will be held at Peony Park Friday, October 28. It promises to be something to tell your grandchildren about.

The real fun, however, begins much sooner. September 8 is the wine and cheese ticket sales kickoff. There you will meet the people who make the Observer observe and those who have joined forces to make the Counter Press Club Ball as irreverent and memorable as always. Come for wine and cheese, Friday September 8, 5:30 till 8:30, at the Antiquarium Galleries, 1215 Harney, Omaha.

The wine and cheese will feature its own foretaste of the skits and songs we have in the works. Of course if you have more

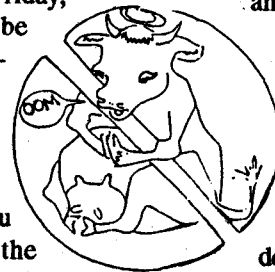
ideas to offer, there's still time to let our program committee in on them.

Got a song about Larry King? Maybe you do a terrific Ernie Chambers imitation. Want to get even with the King of Ak-Sar-Ben?

The Ball itself is our annual fundraiser, \$25 per person, \$40 per couple. Unless you're an Observer subscriber, in which case you get in for \$20 per person and \$30 per couple. (And while we're on the subject of couples, a couple is any two people. What we're really interested in here is a group discount.) So you'll be helping keep this journal of independent voices in the black, while having a great time with your friends.

You can expect to see lots of folks there—newsmakers as well as ordinary citizens. No one wants to miss the fun had when our fearless leaders are under the spotlight.

So get in on all the fun. Come to the wine and cheese. And be the first in your neighborhood to wear a "No Sacred Cows" button.



Keep Your Independent Press Afloat

Reserve this Date:

Friday, September 8

Wine and Cheese Ticket Sale Kickoff
for the
Counter Press Club Ball

5:30 to 8:30 p.m.

Antiquarium Galleries, 1215 Harney, Omaha

Iowa Family Alleges Farm Credit System Scam

By Norm Brewer

WASHINGTON, D.C. -- Randy Caviness recalled the January 1986 meeting when he first detailed for officials of the Farmers Home Administration in Des Moines how one of their taxpayer-financed programs was being defrauded.

Suit Implicates Omaha Officials

Later that month the Cavinesses filed a \$5 million lawsuit in Adair County District Court, charging the PCA with, among other things, fraud for not providing them with operating money as the FmHA guarantee required.

He did note that FmHA never paid the PCA the guarantee.

USDA investigators have picked up the Cavinesses' file from the FmHA's office in Greenfield.

Grand Jury and Omaha Farm Credit

The grand jury investigation initially focused on charges by Cedar Rapids-area farmers that officials of the former Eastern Iowa PCA, also supervised by Omaha Farm Credit, defrauded the program.

Expanding the investigation to include Farm Credit of Omaha could be significant, because it is a major source of farm loans in four states: Nebraska, South Dakota, Wyoming and Iowa.

Farm Credit and PCA officials also declined to be interviewed.

Besides those investigations, the General Accounting Office -- the watchdog agency of Congress -- is working on two major reports on the program.

Threatening To Sue

And, the Cavinesses are threatening to sue the FmHA.

When they brought their lawsuit against the PCA, their debts totaled more than \$1 million, including more than \$600,000 to the South Central Iowa PCA and more than \$300,000 to the FmHA.

The lawsuit was settled in 1987. Both sides agreed not to disclose terms of the settlement. Randy, 30, and Harold, 59, remain in farming and have expanded their hog and row-crop operations.

The Cavinesses and their attorneys, Hugh Cain and Lorraine May of Des Moines, said they repeatedly urged FmHA officials at Greenfield, at the district office in Indianapolis and at the state office to investigate.

They cite correspondence by PCA officials to those of Farm Credit in Omaha setting out plans to liquidate the Cavinesses' operation and collect the guarantee.

On April 24, 1985, the day the 10-year guarantee was approved, Robert Vavra, then a vice president of the PCA, wrote that "the association is setting itself up to get out of the loan."

Bruce Baumgarn, who also was a vice president, wrote a few months later that the PCA was "very reluctant" to disclose a liquidation plan for the Cavinesses "in anything but an informal letter such as this which will not be a part of the permanent loan file."

If the plan were "revealed," collecting the guarantee could be jeopardized, he wrote to Farm Credit official Verlyn Carlson.

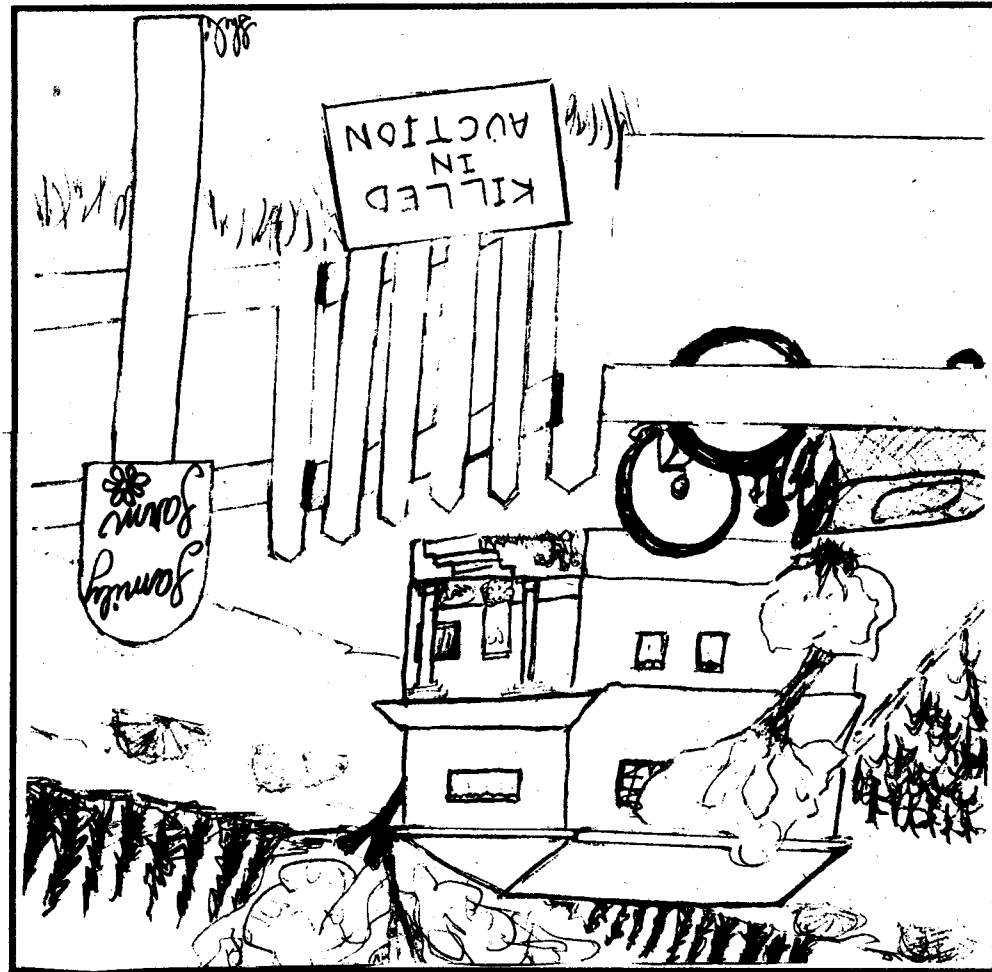
Role of Omaha Farm Credit

[Editor's note: the Des Moines Register's companion story on the same subject included this information about Omaha officials, who declined to be interviewed:]

Frank Hutfless, Omaha Farm Credit's general counsel, said the role of their office was to oversee loan decisions of local PCAs. He conceded that Omaha officials could block loans and sometimes tied loan approval to getting an FmHA guarantee.

Thomas Langemeier, a former president of the Creston PCA, and Robert Vavra, a

Continued on page 11



Caviness said he and his father, Harold, who farm near Greenfield, had outlined how the South Central Iowa Production Credit Association had obtained an FmHA guarantee on a \$350,000 loan, owed by the Cavinesses.

Now, the PCA was trying to drive them out of business in order to collect money from the government, the younger Caviness said they told Robert Haegle and Mark Matlage.

Collect the Guarantee

Haegle is chief of farmer programs in Iowa and Matlage works for him. Matlage also had been the FmHA's supervisor in Adair County, Iowa, when the agency gave initial approval to a federal guarantee for part of the Cavinesses' PCA debt.

Randy Caviness said it then became clear the PCA wanted to foreclose on the debt-ridden farm and collect the guarantee, and that when he tried to tell this to the FmHA officials:

"Their answer was always the same: 'You're done. Take bankruptcy.' We were shocked at their lack of interest... We didn't know what to do."

Records in that case also appear to implicate, for the first time, former and current officials of Farm Credit Services of Omaha in an alleged scheme to defraud the guarantee program. Those officials supervised local PCAs and had to approve their loans.

The lawsuit and some of FmHA's own files also raise questions about why FmHA officials in Iowa did not investigate the Cavinesses' complaints.

In June 1987, some 17 months after FmHA officials first heard those complaints, FmHA state director R.R. Pim would write to an inquiring senator Charles Grassley (R-Iowa) that because the PCA had not tried to collect the guarantee, the FmHA "is not prepared to become involved in the dispute."

The PCA did not try to collect, the Cavinesses believe, because of their lawsuit.

Pim intercepted calls by The Des Moines Register to Haegle and other FmHA officials. Pim said they could not comment because the Caviness case was under investigation by a federal grand jury in Cedar Rapids, and by the U.S. Department of Agriculture's Office of Inspector General.

Whose Interests Is the Farm Credit System Really Serving?

PCAs are local units of the cooperative Farm Credit System, the nation's single largest farm lender. PCA loan money comes from bond sales, with farm assets as collateral. PCAs and other farm lenders, including banks, can reduce their risk by getting the FmHA to guarantee certain loan payments.

Increasingly in recent months, concerns have been raised about abuses in the guarantee program. Former Agriculture Secretary Bob Bergland and others have charged that lenders used the program as a "dumping ground" for bad loans.

USDA investigators have reported that lenders too often sought to minimize their losses by obtaining guarantees on loans they had made to insolvent borrowers. Also, FmHA officials have approved guarantees after failing to detect manipulation of farmers' income or expenses on applications, according to the investigators.

Iowa Republicans Senator Charles

Grassley and Representative Fred Grandy have expressed concern about the case.

Grassley, who also contacted state FmHA director Robert Pim for the farm family, said in a brief statement issued while vacationing in South Dakota: "I am shocked that the Farm Credit System would do this but, frankly, not surprised."

"Over the next several years you're going to see more and more of this kind of evidence surface."

Grassley apparently was referring to questionable lending practices during the farm recession of the mid-1980s that now are producing complaints from farmers.

Since the Caviness story appeared in The Des Moines Register recently, an aide to Grandy said, the congressman has heard similar complaints in meetings with constituents.

"If there's a definite pattern it's something we will have to look into," Grandy said.

Getting More Farm Loan Money to Farmers

The following article is from *The Center for Rural Affairs Newsletter*.

One of the Center for Rural Affairs' target concerns about the farm bill is the Farm Credit System. The past and current administrations have shifted ag credit intervention from direct lending to the farmers to going through commercial banks. But guaranteeing loans has proved to be a disaster.

The problem, according to Gene Severens of the Center, is that banks end up controlling who gets loans, and they can make these decisions in their private interests. The result is the kind of abuses as reported elsewhere on this page, as well as the larger structural problem that the loans fail to reach beginning farmers for whom the program was originally intended.

The Center is preparing for a major effort to influence the upcoming debates. It

expects to concentrate on three areas:

1: Credit policy. The Farmers Home Administration (FmHA) is the main vehicle for providing farming opportunities for beginning and reentry farmers. Unfortunately, administration neglect and abuse have exposed it to attacks from Congress, the administration and the public. While the agency deserves criticism for its handling of important programs, the Center believes the administrative attacks are part of a deliberate effort to discredit FmHA and terminate its direct lending programs to beginning and low-income farmers and, instead, convert it to a "guarantor" of bank loans to established farmers. The Center believes a "New FmHA" dedicated to providing farming opportunities for beginning and low-income family farmers must be established, returning the FmHA to the purpose for which it was created.

2: Targeting farm program benefits and agricultural research to moderate-sized family farms. While farm programs have always been passed amidst great rhetoric about saving the small family farm, the biggest benefits have gone to the biggest farms. In this era of budget deficits, better targeting of program benefits is the best way to insulate family-sized farms from farm program cuts. The Center for Rural Affairs plans to work with other farm, rural and religious groups from around the country to target farm programs to the people they are supposed to serve--family-sized farmers. The Center also plans to work for new directives from Congress to USDA and the land-grant colleges, asking them to focus agricultural research on farming systems and technologies which work for moderate-sized family farmers and help them reduce input costs.

3: Sustainable agriculture and conser-

vation. Family farmers around the nation are finding they can improve their incomes and protect the environment by adopting low-input sustainable farming systems, enabling them to reduce use of expensive purchased inputs. Farmers have developed these systems in spite of U.S. farm policy. They have been snubbed by much of the agriculture research establishment and continue to be penalized by federal farm programs through loss of base and payments. The Center will work with other farmers, farm groups and environmental organizations to shape a farm bill that rewards farmers who adopt low-input sustainable farming systems and practice good stewardship. The Center plans to urge Congress to build on the soil conservation provisions of the 1985 farm bill to seek a permanent commitment to soil conservation and ground water protection.

Omaha Branch Implicated in FmHA Misconduct

Continued from page 10

former vice president, said there was a "push" by Omaha Farm Credit to secure loans with guarantees.

Langemeier said his and other PCAs were under "unbelievable pressure" to foreclose on "bad loans."

Vavra, asked if Omaha officials were aware of the PCA's plan to get the FmHA guarantee, then to liquidate the Caviness loan, said, "They were more than aware. They're the ones who started the trend."

He and Langemeier, in separate interviews, said Omaha Farm Credit officials demanded that the Creston PCA show how the Cavinesses' guaranteed loan could be liquidated before they would approve it.

Vavra and Langemeier quoted rank-and-file workers in Omaha as saying decisions on loan tactics were made by "top" executives of Omaha Farm Credit.

Vavra, in a memo to Omaha credit official Roger Cramer, said liquidation of the Caviness loan would occur only if the family's repayment plan was "not working."

Vavra and Langemeier said they had obtained the FmHA loan guarantee for the Caviness operation "in good faith" and had intended to keep the loan in effect so long as the family did "its share."

A few weeks after the guarantee was approved, Langemeier said he was forced out of the Creston PCA by Omaha Farm Credit. He said he had resisted Omaha's efforts to quickly collect some delinquent farm loans. Vavra left the PCA a few weeks later.

Then came Baumgardner's letter, called "very incriminating" by Langemeier and Vavra.

They said the memo indicates Omaha officials quickly became even more demanding regarding loan liquidations. "I think Bruce

was writing what Omaha wanted to hear," Vavra said.

'Unconcerned'

Lawyer Cain said he took that and other information to FmHA officials, including Haegele and Matlage, in the spring of 1987, but they "seemed wholly unconcerned and uninterested."

To the contrary, Cain said, he was "given the impression" that the FmHA was ready to pay the guarantee.

The Cavinesses also alleged that the PCA gave the FmHA "incorrect" financial information.

PCA loan officer Gene Greiman, when seeking the guarantee, valued land to be used as collateral at \$593,812. Nine months later, he valued that land at \$253,200.

Higher collateral helps a lender to obtain a federal loan guarantee. Reducing the value of collateral weakens the financial position of the borrower and makes it easier for a lender to put the farm out of business and to collect on that guarantee.

John Krummel, then the FmHA supervisor in Adair County, said in a file memo the larger figure could be "false information" and grounds for the guarantee to be "nullified."

The Cavinesses also allege that the PCA: -Charged a higher rate of interest than was agreed to, costing the family more than \$20,000.

-Kept more than \$80,000 intended for other, unsecured creditors. For a time, the PCA controlled income from the farm.

-Sold a beef herd and kept receipts of about \$30,000 at a time when the Cavinesses' debt restructuring plan called for enlarging the herd. The PCA was to notify the FmHA

of anything that would reduce chances of the farmers carrying out the plan, but did not do that.

Frustrated

Frustrated, attorney Cain wrote to Grassley in May 1987. Grassley put the Cavinesses in touch with the USDA's Office of Inspector General and contacted state director Pim.

Pim responded June 9 that if the PCA provided false information, "this would certainly impact" on whether the FmHA paid off the guarantee. But until the PCA tried to collect, the FmHA wouldn't get involved, Pim wrote.

Two days later, Jeffrey Jobe, who suc-

ceeded Krummel as Adair supervisor for the FmHA, notified the family that the FmHA was taking a step toward foreclosing on their loans for failing to make payments. Also, Jobe said, the Cavinesses had "no cash flow."

Randy Caviness, who disputed the FmHA's complaints, said Jobe told him a short time later, "If you settle the lawsuit [against the PCA], we'll just forget about that" notice.

That's what happened, Caviness said, adding that he believed the FmHA wanted the lawsuit settled to avoid the publicity of a trial, to have started in less than two months.

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The Folks at One-K

proposal to "privatize" OPPD while "publicizing" Ak-Sar-Ben by selling it to Douglas County. Consistency may not be his main character trait, but making money selling bonds is.

3. Bill Fitzgerald of Commercial Federal Savings and Loan and the president of the Ak Board of Governors. He, along with at least four other pillars of the community, helped Larry King and his "Debit" Union in the early '80s by serving on the advisory committee to Franklin. In March 1982, King acknowledged Fitzgerald's help by giving him an Economic Development Award. Another recipient of the award that same night was W-H publisher Harold W. Andersen, who chaired the advisory committee.

4. Harold (Andy) Andersen of the World-Herald. In addition to heading Larry King's advisory committee, Andersen also headed the Franklin building fund drive. Only this

year, in March, was it revealed that he was still holding \$88,000 of the fund, which at first he refused to turn over to the NCUA.

Andersen wasn't so tight-fisted in December 1986 when he, as chairman of the Game and Parks Foundation, gave \$100,000 to his good friend and turkey-hunting companion Gene Mahoney. It's interesting to note that Andersen's W-H floated Mahoney as a possible gubernatorial candidate after Bob Kerrey bowed out. Less than a month after saying he was not a candidate, Mahoney was awarded the \$100,000.

Please note, this writer is not and will not be a candidate for governor. Send my \$100,000 to me in care of the Nebraska Observer. Thanks in advance.

These are just some of the illustrious owners of O-K Corp. One final thought: the acronym O-K should be familiar to all Nebraskans since it spells K-O backwards.

Maybe We Should Still Call Ourselves WHAMO

by Frances Mendenhall

Before we were the Observer, we were WHAMO, the World-Herald Attitude Monitoring Operation. Some of the items below make me think our old name was the right one.

Horse Racing in Trouble

Question: What city are you in if the banner headline of the town paper says "Widespread Corruption Found in Nebraska Horse-Racing Industry"?

Answer: Not Omaha.

The previously mentioned headline is from The Des Moines Register, Aug. 23. The story got some notice from Omaha broadcast media and, buried among sports news under a ho-hum headline on page 51, a little ink from the World-Herald. Most people I talked to, however, were taken by surprise when I showed them the headline.

That Secret Kiewit Data Center

We were singularly unimpressed by the worshipful Sunday, Aug. 27th World-Herald piece on the Kiewit Konstruktion/Kontinental Kan Kommand Center. We assume this marginally up-to-date facility made possible in large part by the extra money Kiewit's union-busting efforts have yielded it. One of my sources tells me it has a couple of Big Blue's 3090 mainframes, and a spiffy new VAX used by the mining division, which needed a system with better graphics than IBM knows how to build into overpriced behemoths.

The World-Herald was careful not to disclose the location of PKS' data center, noting that such information was on a "need-to-know" basis. If you need to know where the building is, it's immediately west of Cub Foods at 114th in a building we find even



more nondescript than what Kiewit usually builds (see photo). The Observer's take on all this is that if Kiewit were as smart as the World-Herald implies, it would have bought an Amdahl 5090, like the one First Data Resources has in its data center.

Ever faithful to its commitment to tooting the corporate tax break horn, the World Herald also let us know that thanks to LB 775, Kiewit will be employing 60 new people at this \$10,000,000 center. Hmm...I wonder what that will cost you and me. If they get the whole 10 percent income tax credit for the cost of the center, they're out of paying \$1,000,000. Then they'll surely subtract 5 percent of their payroll for seven years, costing us maybe \$500,000. Then of course they'll be exempted from personal property taxes on the computers which might come to \$275,000. Even if they don't use tax increment financing for the project, we're ap-

proaching a loss of \$2,000,000 in taxes for those 60 jobs, about \$33,000 per job. Now that's what I call a scholarship.

And in Lincoln, Even Worse News for Orr

It was the World-Herald's own poll that detailed the news of Governor Kay Orr's drop in public approval late in August. But it took the Lincoln Journal-Star to write the headline that KO'd Kay. "Orr gets worst rating for governor in 20 years." Although the governor hails from Lincoln, it was the source of her lowest ratings, where 64 percent expressed disapproval of her work.

Here in Omaha, we got a gentler story, illustrated with a smiling photo and headline mentioning a rating that had fallen, but leaving it up to cynics and Democrats to read between the lines and learn that the rating had actually bottomed out.

Ripping Off the World-Herald

Readers may recall last month's Observer article about a woman who got seven days in jail for stealing some World-Heralds from a vending machine in Scottsbluff. We asked for suggestions as to what

would be an appropriate punishment for such a crime. Lothar Luken (occasional contributor to these pages) came up with the prize-winning suggestions (actually they were the only suggestions, but it was a slow month). Suggestion number one: give the lady an EPA award for improving the environment. Suggestion number two: canonize her, which, as all good Catholics know, means declare her sainthood.

Good work, Lothar. You can expect the "appropriate" prize we promised to appear on your doorstep in the next few days in the form of a package. Try to keep the neighborhood cats away from it.

Guess What Time of Year It Is

Usually the World-Herald front page looks like a team of impartial p.r. experts from ConAgra, Ak-Sar-Ben, P.J. Morgan's office and Kay Orr's office got together and composed the page. But in football season, we get an extra special treat. Then, the front page looks like the sports section front!

In case you didn't know already, our favorite local daily ran some big ads to remind us that "Big Red Is Coming!" in which febrile Cornhusker fans were invited to order Big Red Pride Packages at \$18.60 each. Makes me think of the billboard that used to deco-

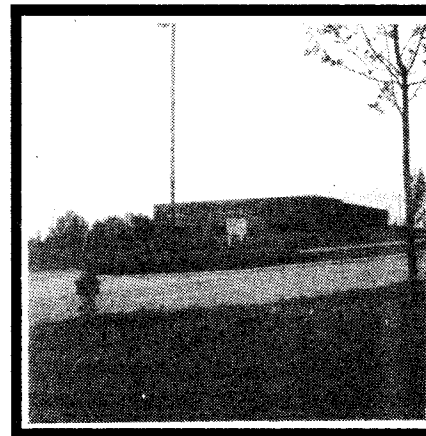
rate the corner of Cuming and Saddle Creek. That one said "Jesus Is Coming." My ever-witty sister had a couple of responses to that one, but in this family-oriented newspaper we will print only one. "Jesus isn't coming. Jesus is Saddle Creek," said she.

A 'Despicable' ConAgra Plan

Why does ConAgra CEO Mike Harper think The Des Moines Register is an outrageously liberal paper? One reason could be the story Gene Erb wrote on the Monfort plant in Marshalltown. The story there has to do with United Food and Commercial Workers Union Local 50N's response to Texas union busting lawyer Charles Sykes, who plans to terminate all the Marshalltown employees and replace them with employees working under a "sweetheart"

deal with a leasing company and the Teamsters. The headline, borrowing language from Representative Dave Nagle (D-Iowa), reads "Monfort plans at Marshalltown called 'despicable'." [Editor's note: We made extra photocopies of this article to share with our friends. Call 551-2629.]

There is probably a similar story to be told about the ConAgra owned Monfort in



Peter Kiewit Sons' Secret Data Center at 117th & Miracle Hills.

Grand Island, which is too oppressed even to consider unionizing. If the Observer had a correspondent in G.I., we'd be working on it right now.

Our Friends in Des Moines

Speaking of The Des Moines Register, we are especially appreciative of some of their recent good work. In this Observer alone, we reprinted one of their stories (page 10) and found two others that they did valuable enough to tell our readers about. It's almost enough to make you believe in the mainstream press, whose omissions the Observer professes to fill. It would, however, be easier to believe if you lived in Des Moines. Anyway, we don't promise to quit picking on the mainstream press, but we will refrain from picking on our friends from Iowa. From now on, nobody can say AIDS means "Another Iowan Discovers Sex."

Our Friends at the Progressive

Last month we reprinted an article from the Progressive about the destruction of Jobbers Canyon. We should have also let people know how to subscribe to that publication, since they were so kind to us. Here's how: Send \$27.50 to the Progressive, P.O. Box 54615, Boulder, CO 80321-4615.

